

# Innovative Strategies for Finding and Attracting Residential Green Power Customers

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Seventh National Green Power Marketing  
Conference

September 30 – October 2, 2002  
Washington, DC

# What we've learned from prior work— High “Say”, Low “Do”

- In abstract, “green power” is very popular with electricity customers
- Most say that they'd even pay more for it
- Traditional market research also indicates a substantial potential (10%–30% of customers)
- But participation in green-pricing and similar programs is generally well under 5% (so far)
- And market research has repeatedly failed to identify useful traits of most likely buyers

# And now...

## “Something Completely Different”

### *...What is the True Potential for Residential Green Power?*

- Market research project using a novel technique developed by Gang & Gang to better understand motives and inhibitions of green power purchases
- Initial study conducted by Gang & Gang, Primen, and EPRI for Salt River Project in Summer 2002



# What's the True Potential for Residential Green Power?

## Objectives:

- Identify specific motivators and inhibitors of say-do gap
- Estimate near-term (3–5 years) potential based on consumer emotions and motivations
- Recommend practical ways to decrease gap
- *Why do / don't people join?*
- *How big is early-adopter pool?*
- *What should marketing communications say?*

# Resonance® Technology according to Gang & Gang

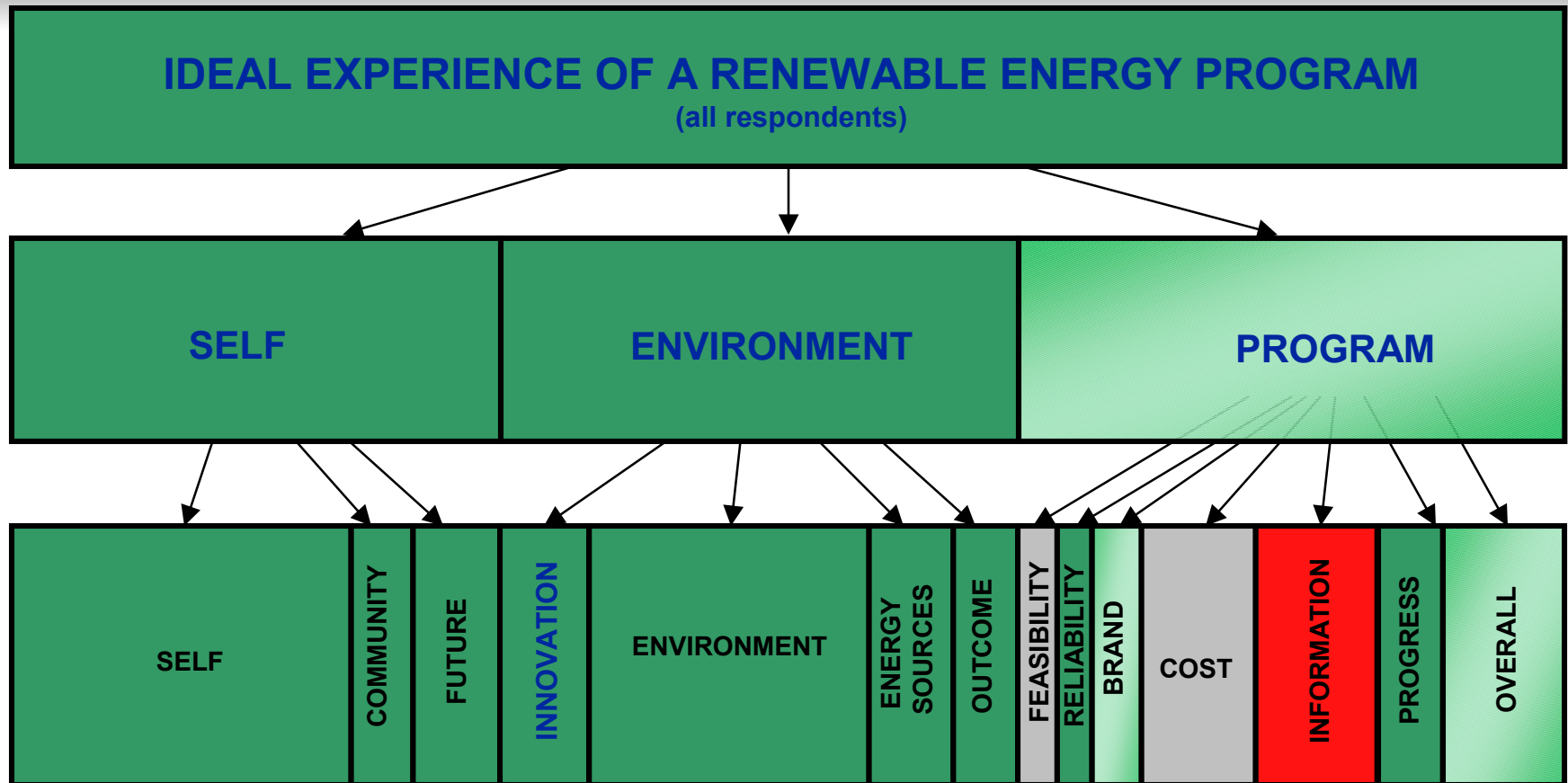
- What makes Resonance *different*?
  - One-step process, qualitative and quantitative
  - Simple, efficient web-based survey
  - Short time requirement (15-20 minutes)
- What makes Resonance *better*?
  - Unbiased, honest responses better reveal true motives
  - Statistically valid information — clients accurately predict business outcomes

# Major Findings (1)



- Many customers (initial estimate 25-30%) could be motivated to join SRP *EarthWise Energy*™
  - Weak, but positive, passionate emotions
  - Significant negative, inhibiting emotions
- Current participants quite satisfied, little apparent risk of defection
  - Opportunities to increase passionate loyalty
- Really important emotional issue areas center on *self, environment, and program*

# Mental Map — Overall Ideal Experience

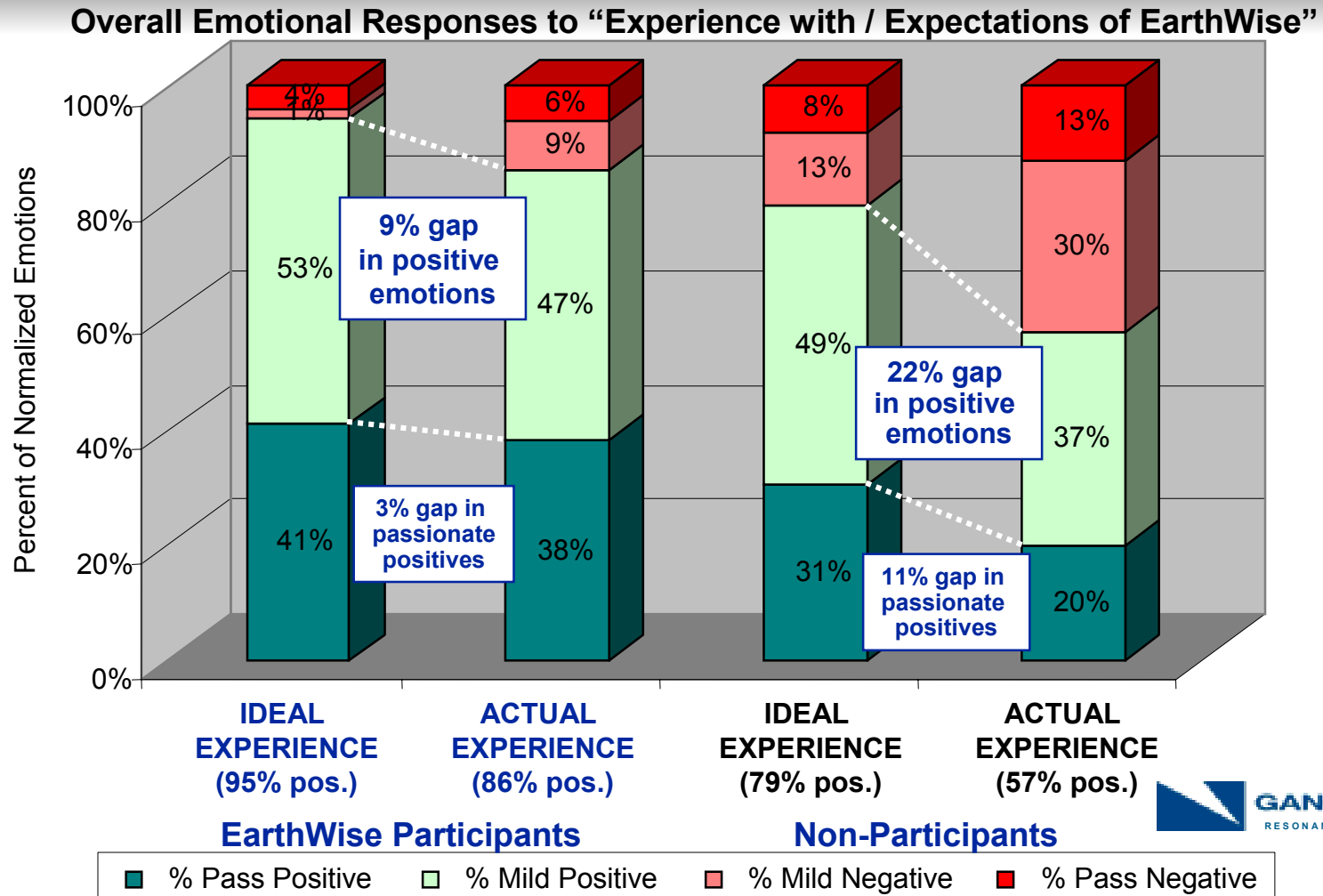


Relatively  
Negative



Relatively  
Positive

# Participants, Non-Participants Differ Widely

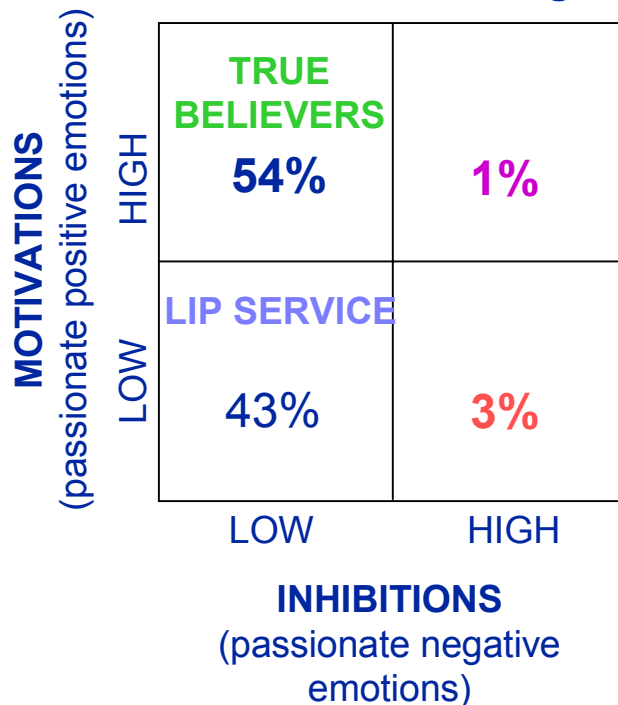




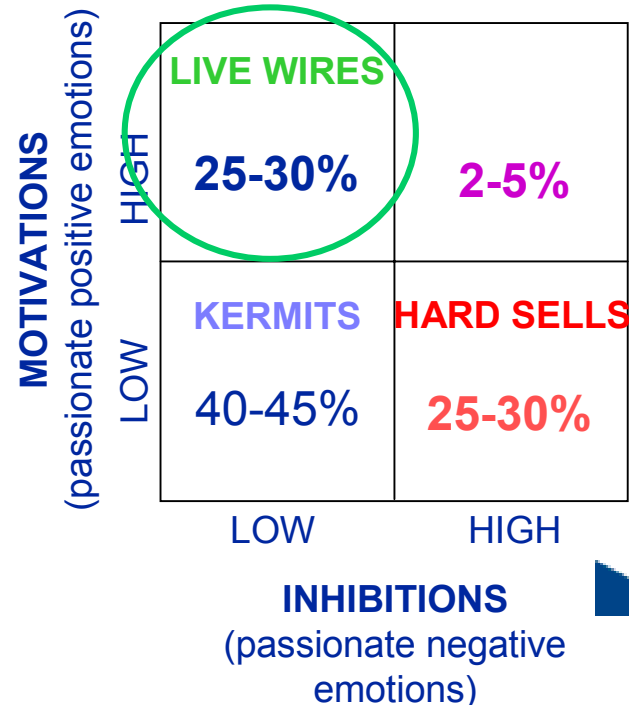
# Major Findings (2)

Passionate emotions define new *motivational segmentation* with different issues in each segment

EarthWise Participants --  
Actual Experience  
in the EarthWise Program



Non-Participating SRP Customers --  
Expected Experience in EarthWise



# Mindset of “Live Wires”

- **“Live Wires” = already-motivated Non-Participants**
  - Emotionally ready to adopt — highly passionate feelings toward participating, strongly pro renewables
  - Need more *information* than participants, more interested in *savings*
- **Triggering participation seems to require:**
  - Call to action (with reminder of existing motivators: *self image* and *environmental benefits*)
  - Additional evidence of *value* or *savings*
    - 20% *really focused* on cost/savings — hoping to realize savings from using renewable energy
    - About 40% *pay attention* to cost/savings

# Conclusions

- Resonance-generated view of market potential consistent with previous studies
- Resonance confirms crosscutting customer demographics
- Resonance provides additional insights about customer motives, key to pinpointing marketing messages
- Watch SRP's *Earthwise Energy*<sup>TM</sup> participation rates in 2003!